

BUDGET LETTER

	NUMBER: 07-12
SUBJECT: INITIAL PAST-YEAR SCHEDULE 10s	DATE ISSUED: July 16, 2007
REFERENCES:	SUPERSEDES: BL 06-12

TO: Departmental Budget Officers
Departmental Accounting Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

INITIAL PAST YEAR SCHEDULE 10s

Schedule 10s are not attached to the electronic transmission of this Budget Letter (BL). However, the Department of Finance (Finance) provides each departmental Budget Officer with one copy of its 2006-07 initial past-year Schedule 10s, along with a hard copy of this BL. If departments have Capital Outlay appropriations, they will receive two packages: Capital Outlay Schedule 10s and State Operations/Local Assistance Schedule 10s.

Upon receipt of the initial past year Schedule 10s, each department must determine that all expenditure authorizations were available during the 2006-07 fiscal year and have been **correctly reflected** in the Schedule 10s as follows:

1. Compare the **appropriation identification number** (organization code-reference code-fund code) and scheduled **program numbers** as shown on the Schedule 10s with the Budget Act (for Budget Act appropriations) and with the records of the State Controller (for non-Budget Act appropriations). Revise the Schedule 10s as necessary. Please line through any incorrect org-ref-fund and program codes on the Schedule 10s and write in the correct codes as appropriate. Departmental Budget Officers are requested to coordinate with departmental Accounting Officers to accomplish this code correction effort.
2. Verify Initial Authorizations—the original amounts as scheduled in the Budget Act, which are available during the year to the department. Please remember that the amounts shown as authorized for Budget Act items must be the **same amounts as actually shown in the Final Budget Summary (reflects Budget Act authorized dollars, less any Governor's vetoes, adjusted by any approved technical corrections)**.
3. Verify Adjustments—any approved budget revisions, executive orders, and other adjustments applied to an appropriation during the year.
4. Verify the Revised Appropriation totals—a recap by schedule of the Initial Authorization as affected by any adjustments, and the Year of Completion (YOC) for each schedule.

For Capital Outlay projects:

- If a contract is approved to proceed to bid, but not yet awarded, show construction dollars as a carryover.
- When the contract is awarded, show dollars as expended.
- If funding is transferred to the Architecture Revolving Fund, show dollars as expended.
- If funding is shown as expended in prior past year Schedule 10s, no change is necessary.
- Attach the document substantiating changes to each of the Schedule 10s with changes.

Reflect corrections to the Schedule 10s as follows:

1. Handwrite directly on the appropriate Schedule 10 any budget revisions and/or executive orders, which are pending or have not been posted to date.
2. Correct any erroneous data by marking up the Schedule 10. Ensure edits are made in such a way that the original numbers are legible.
3. Complete Form DF-38, Missing Records Report, for missing appropriation records (e.g., chaptered bills). The DF-38, revised 6/00, (copy attached) is available on the Internet at http://www.dof.ca.gov/budgeting/forms/budget_forms.asp. However, if you do not have access to the Internet, make copies of the attachment. **Please Note: All DF-38, Missing Records Report forms must be submitted on yellow paper.**

After verifying existing information, record actual past year expenditures by schedule and in total in the "Expenditures" column of the Revised Appropriation totals section. ***These must be the same dollar amounts reported to the State Controller on the year-end financial statements. (If other source documents other than year-end financial statements are being used by departments, these source documents must be approved by your Finance budget analyst prior to submittal of Past Year Schedule 10s.)*** These are also the same amounts that will be shown in the Governor's Budget as past year actual expenditures. Note: For budgeting purposes, encumbrances are displayed on individual department's Schedule 10s as expenditures. All savings must be reflected ***by schedule*** in the "Savings" column of the Revised Appropriation totals section.

After all revisions have been posted, the ***originals*** of the completed initial past year Schedule 10s are to be submitted to the appropriate Finance budget analyst. Departments are encouraged to keep a copy for their records.

CALSTARS departments may be requested to submit their CSTARB06 report to their Finance budget analyst to verify past year actual expenditures. CALSTARS departments may also use the CSTARN10 "Prior Year Actual Schedule 10 Summary Worksheet" to reconcile the Finance Initial Past Year Schedule 10s. This CSTARN10 report may be submitted as **an attachment** to these Past Year Schedule 10s in place of the CSTARB06 report for expenditure verification. However, the Past Year Schedule 10s must be completed in accordance with the above instructions and submitted to the Finance budget analyst for review.

PLEASE NOTE: Initial past year Schedule 10s are due to Finance ***no later than August 27, 2007*** for all departments (regardless of funding sources). See BL 07-08, "2008-09 Budget Preparation Guidelines", for the schedule for submitting year-end financial statements to the State Controller's Office.

Upon receipt from departments, Finance analysts will review the Schedule 10s immediately and forward them to Financial Operations (FO) on a flow basis. **All past year Schedule 10s must be submitted to FO no later than September 10, 2007.**

Upon receipt of the completed past year Schedule 10s, FO will update the computer files, print updated past year Schedule 10s (reflecting previously reported and approved corrections, adjustments, and expenditures), as well as the current and budget years Schedule 10s. These initial 3-Year Schedule 10s will then be forwarded to the appropriate Finance budget analyst for distribution to the department for use in preparing the 2008-09 Governor's Budget.

NOTE: Current and budget years Schedule 10s will not be generated and forwarded to departments until the completed past year Schedule 10s have been submitted to and processed by FO.

SCHEDULE 10Rs

The computer-generated Schedule 10Rs for revenues, transfers, and loans will be transmitted at a later date with separate instructions.

QUESTIONS

If you have any questions, please call your Finance budget analyst.

/s/ Veronica Chung-Ng

Veronica Chung-Ng
Program Budget Manager

Attachment

STATE OF CALIFORNIA
SCHEDULE 10—MISSING RECORD REPORT
 DF-38 (REV 06/00)

Department of Finance
 915 - L Street
 Sacramento, CA 95814
 IMS Mail Code: A-15

Please use whole dollars.

DATE	PAGE OF REPORT	FISCAL YEAR	SPECIAL NOTE		
DEPARTMENT			FUND		
ITEM NUMBER			ITEM TITLE		
DOF CODE	CHARACTER—Select one <input type="checkbox"/> 1 State Operations <input type="checkbox"/> 3 Capital Outlay <input type="checkbox"/> 2 Local Assistance <input type="checkbox"/> 4 Unclassified		PROP 98—Select one <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> Z	PROP 98 POT	STATE MANDATES <input type="checkbox"/> YES <input type="checkbox"/> NO

TYPE OF APPROPRIATION—Select one

- | | | |
|--|---|---|
| <input type="checkbox"/> 1-0 Budget Act Item | <input type="checkbox"/> 2-2 Financial Legislation Loan (Non-Add) | <input type="checkbox"/> 3-7 Carryover Transfer (Non-Add) |
| <input type="checkbox"/> 1-2 Budget Act Loan (Non-Add) | <input type="checkbox"/> 2-5 Financial Legislation Expenditure Transfer | <input type="checkbox"/> 4-0 Reappropriation |
| <input type="checkbox"/> 1-5 Budget Act Expenditure Transfer | <input type="checkbox"/> 2-7 Financial Legislation Transfer (Non-Add) | <input type="checkbox"/> 5-0 Statutory (continuous) Appropriation |
| <input type="checkbox"/> 1-7 Budget Act Transfer (Non-Add) | <input type="checkbox"/> 3-0 Carryover | <input type="checkbox"/> Other |
| <input type="checkbox"/> 2-0 Financial Legislation Appropriation | <input type="checkbox"/> 3-2 Carryover Loan (Non-Add) | |

SCHEDULE NUMBER	SCHEDULE NAME (Program, category or project title.)	YOC*	AUTHORIZED	EXPENDITURES	SAVINGS	CARRYOVERS

*YOC = Year of Completion

REPRODUCE ON YELLOW